

REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, July 12, 2006, at Suite 1614 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Attending the meeting were board members George Harding, William Long, Darlene McNeece, John McClarty, Lee Anne Murray and Marian Ott.

Harding requested that the June 14, 2006 minutes be amended to include Director Rawlins sending a letter to all county election commissions informing them not to accept any reports from state candidates and that any reports filed by state candidates with them does not constitute filing with the Registry.

On motion by Harding, seconded by Ott, the board voted to approve the June 14, 2006 board minutes as amended. The motion passed the board unanimously.

Sworn Statement Submitted

06-15 Charles Richard Hughes, for failure to timely file a 2006 pre-primary campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Hughes has had no previous matters before the board.

The board voted at its June 14, 2006 meeting to issue Mr. Hughes a show cause notice. Mr. Hughes submitted a statement for the board's consideration.

In his statement, Mr. Hughes explained that he did not give the matter the attention he should have. Mr. Hughes further explained that he should have had his treasurer assist him in filing the report in a timely manner.

On motion by McNeece, seconded by Long, the board voted unanimously to assess Mr. Hughes a \$100 civil penalty.

06-16 Gail Mathes, for failure to timely file a 2006 1st quarter campaign financial disclosure report. Class one (1), six days late, maximum one hundred fifty (\$150) civil penalty. Ms. Mathes has had no previous matters before the board.

The board voted at its June 14, 2006 meeting to issue Ms. Mathes a show cause notice. Ms. Mathes submitted a statement for the board's consideration.

In her statement, Ms. Mathes explained that she did not realize that District Attorney General was a state office that must file reports with the Registry. Ms. Mathes further explained that her first quarter report was filed timely with the Shelby County Election Commission.

A motion was made by Harding, seconded by Long, to assess Ms. Mathes a \$100 civil penalty. A friendly amendment was made by Ott, accepted by Harding and Long, to assess Ms. Mathes a \$50 civil penalty. The motion to assess Ms. Mathes a \$50 civil penalty passed the board unanimously.

Cases Subject to Approval for Civil Penalty

06-14 Larry Drolsum, for failure to timely file a 2005 annual supplemental campaign financial disclosure report. Class one (1), 13 days late, maximum three hundred twenty-five (\$325) civil penalty. Mr. Drolsum has had a previous matter before the board. (See below)

The board voted at its June 14, 2006 meeting to issue Mr. Drolsum a show cause notice.

Director Rawlins informed the board that the report has been filed but that there has been no response to the show cause notice.

On motion by Long, seconded by Harding, the board voted unanimously to assess Mr. Drolsum a \$100 civil penalty.

06-17 Joe Towns, Jr., for failure to timely file a 2006 1st quarter campaign financial disclosure report. Class one (1), three days late, maximum seventy-five (\$75) civil penalty. Rep. Towns has had previous matters before the board.

The board voted at its June 14, 2006 meeting to issue Rep. Towns a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice.

On motion by Ott, seconded by McNeece, the board voted unanimously to assess Rep. Towns a \$75 civil penalty.

06-18 McMinn County Republican Party, for failure to file a 2006 1st quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its June 14, 2006 meeting to issue the organization a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice and that the report still has not been filed. Director Rawlins explained to the board that the organization's address is no longer current and that all correspondence has been returned to the Registry. Director Rawlins noted that Registry staff is searching for a new mailing address.

A motion was made by Harding to assess the organization a \$50 civil penalty. The motion to assess the organization a \$50 civil penalty died for a lack of a second. A motion was then made by Ott, seconded by Harding, to defer any action in this matter until the next regularly scheduled meeting to allow Registry staff an opportunity to contact the organization. The motion to defer any action until the next regularly scheduled meeting passed the board unanimously.

06-19 Kevin Smith, for failure to timely file a 2006 Statement of Interests. Class one (1), 10 days late, maximum two hundred fifty (\$250) civil penalty. Mr. Smith has had no previous matters before the board.

The board voted at its June 14, 2006 meeting to issue Mr. Smith a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice.

On motion by Long, seconded by McNeece, the board voted unanimously to assess Smith a \$250 civil penalty.

Cases Considered for Issuance of Show Cause Notice

Larry Drolsum, for failure to file a 2006 Statement of Interests. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Drolsum has had a previous matter before the board. (See above)

On motion by McClarty, seconded by Long, the board voted unanimously to issue a show cause notice.

Samuel Harris, for failure to file a 2006 Statement of Interests. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Harris has had no previous matters before the board.

On motion by McClarty, seconded by Long, the board voted unanimously to issue a show cause notice.

John Jay Hooker, for failure to timely file a 2006 Statement of Interests. Class one (1), three days late, maximum seventy-five (\$75) civil penalty. Mr. Hooker has had no previous matters before the board.

On motion by Long, seconded by McClarty, the board voted unanimously to take no action in this matter.

Cross Indexing

Director Rawlins provided the board with a 1st Quarter Cross Index Report. This report shows campaign contributions made that did not match between PACs and candidates.

Director Rawlins informed the board that the Registry requested information from the PACs as to why the contributions did not match.

After discussion, on motion by Long, seconded by McClarty, the board voted unanimously to issue show cause notices to the following candidates:

- Ann Barker, for failure to report a \$500 campaign contribution on her 1st quarter 2006 campaign financial disclosure report from Loudon County Democratic Party.
- Kathryn Bowers, for failure to report a \$2,500 campaign contribution on her 1st quarter 2006 campaign financial disclosure report from Federal Express.
- Ulysses Jones, for failure to report \$500 campaign contributions on his 1st quarter 2006 campaign financial disclosure report from Friends of the University of Memphis PAC and PAC-ABLE.
- Judd Matheny, for failure to report campaign contributions on his 1st quarter 2006 campaign financial disclosure report from First Tennessee Local PAC in the

amount of \$250, Outdoor PAC of Tennessee in the amount of \$250 and PAC-ABLE in the amount of \$250.

- Larry Miller, for failure to report a \$500 campaign contribution on his 1st quarter 2006 campaign financial disclosure report from Friends of the University of Memphis PAC.
- Gary Rowe, for failure to report a \$500 campaign contribution on his 1st quarter 2006 campaign financial disclosure report from Friends of the University of Memphis PAC.

Director Rawlins informed the board that several PACs did not respond to two Registry letters requesting information on campaign contributions. Director Rawlins informed the board that they could issue show cause notices to those PACs for not responding to the Registry's request because it appears that the PAC reports are inaccurate because the candidates did not report the contributions.

After discussion, on motion by Ott, seconded by McClarty, the board voted unanimously to issue show cause notices to the following PACs for failure to respond to the Registry's requests:

- Tennessee Chiropractic Association
- Friends of Bill Morris PAC
- Insurors of Tennessee
- Tennessee Professional Firefighters
- Tennessee Association of Nurse Anesthetists

Reported Financial Expenses

Director Rawlins provided the board members with a list of civil penalties that have been paid year to date.

Director Rawlins presented the expenditure reports for the 2005/2006 fiscal year through May 31, 2006.

Executive Director's Report

Director Rawlins provided the board with a sworn complaint filed against Rep. Mary Pruitt that was filed with the Registry by William James Boyd. The sworn complaint is based on a WTVF-TV5 investigation and includes documentation from other sources. The sworn complaint alleges that Rep. Pruitt is converting campaign funds to personal use by repaying herself out of her campaign account for a building she owns that she claims as her campaign office although the building appeared boarded up and has had no working utilities.

A motion was made by Long, seconded by McClarty, to add the item to the current agenda and dismiss the sworn complaint. After discussion, Long and McClarty withdrew their motion. A motion was then made by Harding, seconded by Ott to defer any action until the next regularly scheduled meeting. The motion to defer any action until the next regularly scheduled meeting passed the board unanimously.

Other Business

The board discussed the new campaign finance restrictions placed on them as members of the Registry and their immediate family. After discussion, a motion was made by Long, seconded by Harding, to request an Attorney General's Opinion on whether the new campaign finance restrictions for Registry members applies to the sitting members of the board that were appointed before the act became statute. The motion passed the board unanimously.

Harding, seconded by McNeece made a motion, to adjourn the meeting until the next regularly scheduled meeting. The motion passed unanimously.